

# CMG Capital Management Group, Inc.

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## Brochure

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**This brochure provides information about the qualifications and business practices of CMG Capital Management Group, Inc. (the “Registrant”). If you have any questions about the contents of this brochure, please contact us at (610) 989-9090 or [todd@cmgwealth.com](mailto:todd@cmgwealth.com). The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (SEC) or by any state securities authority.**

**Additional information about CMG Capital Management Group, Inc. is also available on the SEC’s website at <https://adviserinfo.sec.gov/>.**

**References herein to CMG Capital Management Group, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

The following is a summary of the material changes made to this Brochure since it was amended on March 31, 2018:

- Effective June 12, 2018, the Registrant has terminated Mauldin Solutions, LLC as the sub-adviser to the CMG Mauldin Solutions Core Fund. The Registrant has hired John F. Mauldin, principal of Mauldin Solutions, as Chief Economist. Mr. Mauldin will also serve as co-portfolio manager of the CMG Mauldin Solutions Core Fund.

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#### **Item 4 Advisory Business**

- A. The Registrant is a corporation formed on October 26, 1992 in the Commonwealth of Pennsylvania. The Registrant registered as an investment adviser in March 1993. Stephen B. Blumenthal is the founder and majority owner of the Registrant. Mr. Blumenthal also serves as the Registrant's Chief Executive Officer.
- B. As discussed below, the Registrant offers investment advisory services utilizing allocation strategies. The Registrant also provides investment management services to various proprietary mutual funds (each a "Fund") registered under the Investment Company Act of 1940, as amended (the "Company Act"). References throughout this Brochure to clients generally refer to the Registrant's separate account clients and investors and not to the Funds.
- C. The Registrant offers investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss specific investment objective(s) and conduct a risk assessment with each client. The Registrant shall allocate each client's investment assets consistent with their risk profile and designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on the Registrant's services.

The Registrant also offers financial planning services to separate account or retail clients. The Registrant does not, however, offer or hold itself out as offering or providing legal, tax, estate planning or accounting services.

#### **INVESTMENT MANAGEMENT SERVICES**

##### **The CMG Mauldin Solutions Core Fund, the CMG Tactical Bond Fund, and the CMG Tactical All Asset Strategy Fund**

The Registrant provides investment management services to three affiliated mutual funds: the CMG Mauldin Solutions Core Fund (the "Core Fund"), the CMG Tactical Bond Fund (the "Bond Fund"), and the CMG Tactical All Asset Strategy Fund (the "All Asset Strategy Fund"). Each is a series of the Northern Lights Fund Trust, an investment company registered under the Company Act. The Registrant receives management fees as the investment adviser to each of the Core Fund, the Bond Fund and the All Asset Strategy Fund in the amount of 1.05%, 0.95% and 0.75%, respectively. A complete description of each Fund, its strategy, objectives, and costs is set forth in its prospectus, a copy of which is provided to all clients investing in a Fund. Disclosure relative to each Fund is also set forth in the Investment Advisory Agreement. Pursuant to the terms of the Investment Advisory Agreement, the Registrant has discretion to invest client assets in each Fund. If client assets are invested in any Fund, the Registrant will only receive one investment advisory fee. The Registrant credits the management fee that it receives from each Fund to the client's managed account.

## INVESTMENT ADVISORY SERVICES

### CMG Separate Account Clients, Strategies and Programs

The Registrant also manages accounts on a discretionary basis. The Registrant generally will recommend that clients invest using one or more of its investment strategies, each of which is listed below and described in detail further below. The fees that the Registrant charges for its services are described in Item 5 and the material risks of investing in its strategies are described in Item 8.

CMG Managed High Yield Bond Program	CMG Tactical Fixed Income Strategy
CMG Managed High Yield ETF	CMG Tactical Equity Strategy
CMG Managed High Yield Annuity Bond	CMG Beta Rotation Strategy
CMG Opportunistic All Asset Strategy	CMG Large Cap Long/Short Strategy
CMG Opportunistic All Asset ETF Strategy	CMG Large Cap Long/Flat Strategy
Annuity Opportunistic All Asset Strategy	CMG Total Portfolio
CMG Tactical Rotation Strategy	Scotia Partners Dynamic Momentum Program
CMG Tactical Rotation Strategy Annuity Program	CMG Mauldin Solutions Smart Core Strategy

The Registrant also offers its management services to other investment advisers and investors through various investment platforms, including Trust Company of America (“TCA”), Charles Schwab, and TD Ameritrade.

The Registrant may also invest the assets held in the individual investment sub-divisions of a variable annuity or life insurance product owned by clients. The Registrant uses the following investment programs when providing this service: CMG Managed High Yield Bond Program, CMG Opportunistic All Asset Strategy, CMG Large Cap Long/Flat Strategy and CMG Tactical Rotation Strategy. When providing services to these investment products, the client acknowledges that the Registrant is limited to the investment products or securities available and offered by the sponsor of the product.

### **Investment Strategies**

#### **CMG Managed High Yield Bond, Managed High Yield ETF and High Yield Annuity Bond Programs:**

The CMG Managed High Yield program is an intermediate-term, trend-based trading strategy that seeks positive returns in both bull and bear markets. The strategy uses a disciplined quantitative methodology that considers high yield bond price movement and participates in the high yield bond market by investing in high yield bond mutual funds, ETFs or variable insurance trusts (“VITs”) in favorable trending periods and invests in money market funds when the high yield trend is unfavorable. The Registrant considers factors such as volume, current yields, yield spreads, default rates, and the policy of the Federal Reserve to determine the strength of a given trend. When the program sends CMG a sell signal, these programs may invest in high yield bond funds or ETFs that are designed to increase in price when the high yield market is declining (*e.g.*, inverse funds) where client accounts are able to purchase these funds. The strategy attempts to identify opportunities where CMG believes that the short-term direction of US high yield bond mutual funds, ETFs or VITs is predictable with a high degree of probability and trade with those directional moves. However, there can be no assurance that the Registrant’s signal will be correct.

**CMG Opportunistic All Asset Strategy, CMG Opportunistic All Asset ETF Strategy and Annuity Opportunistic All Asset Strategy:**

The CMG Opportunistic All Asset Strategy is a quantitative investment strategy that is designed to generate positive returns over multiple market cycles. The strategy analyzes a broad universe of mutual funds, ETFs and VITs. CMG's security selection process uses proprietary mathematical and technical indicators to identify mutual funds, ETFs or VITs with emerging price trends across asset classes and market sectors. The portfolio is typically comprised of up to 11 mutual fund, ETF or VIT allocations that are designed to serve as an active risk managed solution versus traditional buy-and-hold equity investing.

**CMG Tactical Rotation Strategy and CMG Tactical Rotation Strategy Annuity Program:**

The CMG Tactical Rotation Strategy seeks to generate returns in all market conditions based on the concept that various asset classes and sectors experience bull and bear markets at different times. The strategy uses a proprietary tactical investment model that analyzes various technical indicators to determine which asset classes are in a bullish environment and CMG believes are more likely to achieve a positive return. The strategy uses an equally weighted strategic rotation model, which causes the portfolio to invest in the top two asset classes from a universe of five asset classes: domestic equities, international equities, bonds, commodities and real estate investment trusts ("REITs"). If none of the five asset classes exhibits a positive trend, the strategy has the ability to allocate the portfolio entirely to cash. CMG makes investment decisions for the strategy on a monthly basis. Once the portfolio is allocated, the positions are held and monitored for the entire month. The strategy will generally allocate to ETFs and VITs.

**CMG Tactical Fixed Income Strategy:**

The CMG Tactical Fixed Income Strategy enhances the foundational role of bonds in investment portfolios by employing a more diversified approach to fixed income investing. The strategy seeks to achieve capital appreciation by investing in certain ETFs while simultaneously employing a risk management mechanism with the goal of protecting capital in declining markets. The unconstrained process attempts to capitalize on a wider opportunity set than traditional core fixed income investment approaches and seeks to meet the challenges of aligning allocations with investment objectives. The strategy uses an unconstrained, rules based, algorithmic investment process that evaluates a global universe of fixed income investments. The strategy dynamically adjusts allocations within the portfolio by using CMG's proprietary relative strength investment algorithm. The flexible approach strives to diversify risks across broad categories of fixed income investments including, but not limited to, inflation protected, investment grade corporate, long duration government, high yield, convertible, municipal, international and emerging market government bonds.

**CMG Tactical Equity Strategy:**

The CMG Tactical Equity Strategy promotes exposure to global equities in investment portfolios by employing a dynamic approach to investing. Addressing the challenges of aligning portfolio allocations with investment objectives, the strategy seeks to achieve relative outperformance of the MSCI All Country World Index ("ACWI") by investing in certain ETFs while simultaneously employing a risk-management approach. The strategy uses a rules-based, algorithmic investment process that evaluates a global universe of equity investment options. The strategy dynamically adjusts allocations within the

portfolio by using CMG's proprietary relative strength investment algorithm to capitalize on a wide range of equity opportunities. The portfolio typically holds 10 positions at any point. The strategy strives to capitalize on opportunities across global equities in the following categories:

- Domestic Equities: Large-cap, Mid-cap, Small-cap, Value, Growth, Sector, Industry
- International Developed Equities: Various broad-based and country-specific indices
- Emerging Market Equities: Various broad-based and country-specific indices

#### **CMG Beta Rotation Strategy:**

The CMG Beta Rotation Strategy seeks to enhance the role of equities in a client portfolio by employing a disciplined process to measure market price trends. The investment objective of the strategy is to outperform broad equity markets while simultaneously reducing risk. The process invests in the U.S. equity market when the market is demonstrating strong price trend by investing entirely in large-cap domestic equity ETFs. At other times, the strategy invests in the utility sector via ETFs when utility stocks are demonstrating strong price trend. Historically, the utilities sector is defensive and has exhibited a low correlation to broad equity markets. During periods of broad-based negative price trends, the process may invest up to 100% in cash. The strategy invests in either equity or the utility market based on the market demonstrating the strongest relative performance. Positions are measured and evaluated daily.

#### **CMG Large Cap Long/Short Strategy:**

The CMG Large Cap Long/Short Strategy uses a proprietary tactical investment model that produces trade signals to dictate an equity allocation ranging from 100% fully invested (i.e., "long") to 100% short (i.e., "short"). The investment objective of the strategy is to outperform broad equity markets while simultaneously reducing risk. When 100% fully invested, the strategy invests in U.S. large cap market exposure. When the strategy is short, it invests 100% in inverse U.S. large cap market exposure. Other times the index is invested either 80% or 40% in the S&P 500 with the remaining amounts invested in cash. The strategy makes investment allocation decisions on a daily basis and positions are held and monitored daily. The strategy will allocate to ETFs and VITs and inverse ETFs and inverse VITs to gain short market exposure.

#### **CMG Large Cap Long/Flat Strategy:**

The CMG Large Cap Long/Flat Strategy is designed to provide relative outperformance of the S&P 500 over a complete market cycle. The strategy's signal is generated by combining GICS Industry Groups into an overall cap-weighted composite to determine the current state of the U.S. large cap equity market. This market breadth composite is used to shift portfolio allocations between long equity and short equity positions. When the composite score indicates a bullish state, the strategy allocates to a long U.S. equity ETF. Potential long portfolio allocations range from 40% to 100% with the remaining allocation (if any) to cash. When the composite score indicates a bearish state, the strategy allocates 100% to cash (or cash equivalents).

### **CMG Total Portfolio:**

The CMG Total Portfolio is an asset allocation portfolio comprised of allocations to traditional (long-only equity and fixed income investments), tactical (momentum-based trading strategies) and alternative asset classes. CMG manages a portfolio using a diversified blend of its proprietary account strategies and mutual funds and non-proprietary ETFs and mutual funds. CMG monitors and manages the portfolio allocations and evaluates whether to add new strategies, replace existing strategies, rebalance, and change allocation weightings on a quarterly basis.

### **CMG Mauldin Smart Core Strategy:**

The CMG Mauldin Smart Core Strategy invests across various asset classes and sectors of the U.S., foreign and emerging equity and fixed income markets via ETFs. The principal investment objective of the strategy is capital appreciation. The Registrant evaluates market data and information from various research providers to invest the assets creating a flexible tactical asset allocation portfolio. The portfolio is typically comprised of 30 to 40 ETFs and is designed to serve as an active risk managed investment solution versus traditional buy-and-hold equity investing.

### **Scotia Partners Dynamic Momentum Program:**

The Scotia Partners Dynamic Momentum Program is a long-only quantitative investment program that invests in Rydex and ProFunds equity-based US sector mutual funds. The program analyzes price data on nine sectors to determine which sectors are exhibiting strong momentum. The program has a multi-step process that incorporates momentum and volatility of each sector in its decision making process. In addition, the program utilizes several risk management parameters to modify portfolio exposures based on a number of factors such as market trend and a measurement of overbought market conditions. The program analyzes prices on a daily basis to determine portfolio exposures.

## **MISCELLANEOUS DISCLOSURES**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** The Registrant offers certain financial planning services to separate account or retail clients. The Registrant does not, however, offer or hold itself out as offering or providing legal, tax, estate planning or accounting services. We do not serve as an attorney, accountant, tax advisor or preparer, or insurance agency, and no portion of our services should be viewed as legal, accounting, tax or insurance implementation services. Accordingly, we do not prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purpose. You are under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation that we make. If the client engages any unaffiliated recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Variable Annuity and Insurance Products.** Neither the Registrant nor any of its associated persons sell insurance products on a commission basis. However, the Registrant does provide management services to clients owning variable annuity or life insurance

products. From time to time, the Registrant may recommend no-load variable annuities from Jefferson National and Nationwide. In most instances, the Registrant is not involved in the decision-making process on which product that the client should purchase, and the client generally makes this decision with their insurance agent or the broker-dealer. In the event that the client purchased the variable annuity product from a registered representative of a broker-dealer that serves as a solicitor for the Registrant, the Registrant will pay that solicitor a referral fee (*See* Disclosure at Item 14.B). After purchasing an insurance product, the Registrant can be engaged by the client to manage investment subdivisions contained within the variable annuity product. The Registrant's investment choices are limited to the investment sub-divisions, which comprise the variable product. Specifics regarding the annuity are found in the annuity prospectus and application documents. The client should review the prospectus carefully before investing.

**Private Investment Funds.** The Registrant may purchase or recommend certain private investment funds for its clients. Private investment funds generally involve various risk factors including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in the funds' offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, where he must represent that he is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment. In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. The current value of any private investment fund could be significantly more or less than the original purchase price or the price reflected in any supplemental account report.

**Platform Services.** As referenced above, the Registrant provides its management services to clients, investors and other investment advisers through various investment platforms. In certain instances, an unaffiliated third-party solicitor, investment adviser or registered representative of a broker-dealer will introduce the Registrant to the investor and will charge separate fees to the investor. In some cases the total fee charged to the investor may be less (or more) than the Registrant would charge its clients. In addition, the Registrant will generally be unable to negotiate commissions and/or transaction costs when providing services through these investment platforms. The program sponsor will determine the broker-dealer where transactions must be effected, and the amount of transaction fees and/or commissions to be charged to the participant investor accounts. When Registrant provides services through a platform, the other adviser or the investor maintains the responsibility for determining whether the initial and ongoing use of the Registrant's investment strategies are appropriate and any third party adviser is responsible for communicating with the client. The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions concerning the Registrant's investment management services and fees.

**Sub-Advisory Arrangements – Registrant uses Third-Party Adviser.** The Registrant maintains discretionary authority to allocate a portion of client assets to unaffiliated SEC registered investment advisers, where the unaffiliated adviser, as a sub-adviser, maintains day-to-day discretionary management responsibility for the allocated assets. The Registrant monitors the client assets allocated to these advisers on an ongoing and continuous basis. The Registrant compensates these advisers with a portion of the advisory

fee paid by the client to Registrant per the fee schedule at Item 5 below. The Registrant's client does not pay a higher advisory fee as result of the sub-advisory arrangement. The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions concerning the Registrant's sub-advisory arrangements.

**Sub-Advisory Arrangements – Registrant is Engaged by Third-Party Adviser:** The Registrant may also serve as a sub-adviser to unaffiliated registered investment advisers per the terms and conditions of a written Sub-Advisory Agreement. With respect to its sub-advisory services, the unaffiliated investment advisers that engage the Registrant maintain both the initial and ongoing day-to-day relationship with the underlying investor, including initial and ongoing determination of suitability for Registrant's designated investment strategies, and ongoing client communication. If the Registrant is directed to effect account transactions through a specific broker-dealer/custodian, the Registrant will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case through alternative brokerage/custody arrangement. Higher transaction costs adversely impact account performance.

**Trust Company of America:** Clients that use TCA as custodian pay TCA a custody fee on a quarterly basis. The Registrant does not receive any portion of TCA's custody fee. Clients can also access third-party money managers' strategies via TCA's Money Manager X-Change ("MMX") platform. TCA charges the Registrant a 0.10% fee on the portion of account assets in a strategy on the MMX platform. In the event that the Registrant purchases a mutual fund for the client's account that pays TCA a rule 12b-1 fee (an annual marketing or distribution fee), the amount of the rule 12b-1 fee is used by TCA to offset custody fees. The Registrant does not receive any portion of the rule 12b-1 fee. Registrant's Chief Compliance Officer, Todd Silbergeld, remains available to address any questions that a client or prospective client may have regarding rule 12b-1 fees.

**Retirement Rollovers -- Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation creates a conflict of interest if Registrant will earn an advisory fee on the rolled over assets. No client is under any obligation to rollover retirement plan assets to an account managed by Registrant. Registrant's Chief Compliance Officer, Todd Silbergeld, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by a rollover recommendation.

**Introduction from Primary Investment Professional/Solicitors:** The Registrant provides investment management services to investors who are introduced to the Registrant through the investor's primary investment professional. When introduced by a solicitor, the investor will be required to acknowledge and agree that the investment professional serves as the investor's primary investment professional, and is responsible for assisting in determining the initial and ongoing suitability of the Registrant's investment strategies. In these relationships, the Registrant does not have any investor interaction and manages the investor's assets consistent with any selected investment strategy. The Registrant will rely on any direction, notice, or instruction that it receives from the investment professional or

the investor until it has been notified in writing of any changes. The Registrant has no liability or legal responsibility to the investor for the failure of the investment professional to timely provide notices or instructions to the Registrant. When introduced by a solicitor, the Registrant is permitted to share account-related information with the investment professional until the client notifies the Registrant, in writing, to the contrary. If the Registrant is directed to effect account transactions through a specific broker-dealer/custodian, the Registrant will be unable to negotiate commissions and/or transaction costs, and/or seek better execution. As a result, the client may pay higher commissions and transaction costs, be subject to greater spreads, and as a result receive less favorable pricing than if the Registrant were responsible for selecting broker-dealers. These additional costs and expenses adversely impact account performance. When introduced by a solicitor, an investor may pay a higher combined advisory fee than the fee referenced in its fee schedule at Item 5 below. ***Please see*** additional disclosure at Item 14 below.

**Tradeaway/Prime Broker Fees:** When beneficial to the client, individual equity and/or fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and, potentially, a separate “tradeaway” and/or prime broker fee charged by the account custodian.

**Client Obligations:** The Registrant will not be required to verify any information received from the client or from the client’s other professionals and is expressly authorized to rely on the information in its possession. Clients are responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives so that the Registrant can review, and if necessary, revise its previous recommendations or services.

**Disclosure Statement:** A copy of the Registrant’s written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*.

- D. The Registrant does not participate in a wrap fee program.
- E. As of June 30, 2018, the Registrant had \$273.3 million in regulatory assets under management (“AUM”) on a discretionary basis and provides investment consulting services for \$114 million in assets. In sum, the Registrant consults on investment management relationships consisting of approximately \$387.3 million in assets.

## **Item 5 Fees and Compensation**

- A. The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis.

Registrant, in its sole discretion, may charge a lower investment advisory fee based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, competition, type of client, negotiations with solicitor, negotiations with client, etc.). Accordingly:

- Certain clients are grandfathered under Registrant’s prior fee schedules;

- As result of negotiation and competition, fees payable by institutional clients are generally less than those paid by non-institutional clients. In addition, per institutional client directive, the strategies managed for institutional clients may deviate from similar strategies managed for non-institutional clients;

- The majority of Registrant's clients are introduced to Registrant by unaffiliated solicitors (i.e., broker-dealers and investment advisers). The Registrant shall pay a portion of the advisory fee payable by the introduced client to the solicitor as a solicitation or referral fee (see disclosure at Item 14 below). The advisory fee payable by the client will generally vary based upon the solicitor. However, Registrant's portion of the advisory fee will generally remain constant, and in limited events, is subject to decrease.

As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees.

Registrant's Chief Compliance Officer, Todd Silbergeld, remains available to address any questions that a client or prospective client may have regarding advisory fees.

## **INVESTMENT ADVISORY SERVICES**

If a client determines to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis, the Registrant's annual investment advisory fee shall be as follows:

### **CMG Investment Management Services**

For the CMG Managed High Yield Bond, CMG Managed High Yield ETF and Annuity High Yield Bond Programs, CMG Opportunistic All Asset Strategy and Annuity Opportunistic All Asset Strategy, CMG Opportunistic All Asset ETF Strategy, CMG Tactical Rotation Strategy, CMG Tactical Fixed Income Strategy, CMG Tactical Equity Strategy, CMG Beta Rotation Strategy, CMG Large Cap Long/Short Strategy, CMG Large Cap Long/Flat Strategy and Scotia Partners Dynamic Momentum Program, the Registrant shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by the Registrant. For accounts of assets with market values not in excess of \$250,000, the current annual investment management fee is 2.25%. For accounts of assets with market values in excess of \$250,000 but less than \$500,000, the current annual investment management fee is 1.95%. For accounts of assets with market values in excess of \$500,000 but less than \$1 million, the current annual investment management fee is 1.50%. For accounts of assets with market values in excess of \$1 million but less than \$2 million, the current annual investment management fee is 1.00%. For accounts of assets with market values in excess of \$2 million, the current annual investment management fee is 0.75%. (The Registrant offers the ability to "household" accounts to aggregate assets to reach the fee breakpoint.) For the CMG Total Portfolio and Mauldin Solutions Smart Core Strategy, the Registrant has instituted a tiered annual investment management fee based on total assets consisting of 1.65% for accounts containing less than \$500,000; 1.25% for accounts containing between \$500,000 and \$1 million; 1.00% for accounts containing between \$1 million and \$5 million; and 0.75% for accounts containing total assets valued in excess of \$5 million.

The CMG Large Cap Long/Flat Strategy is designed to provide relative outperformance to the S&P 500 Index over a complete market cycle. The Strategy is available through one

of our qualified custodians, such as Trust Company of America. **Please note that an investor can access the Strategy on his/her own from other providers at a lower cost, independent of the investor's engagement of CMG. In such event, the Strategy would not be part of CMG's ongoing investment advisory services to the investor.** CMG and Ned Davis Research ("NDR") have co-licensed the Ned Davis Research CMG US Large Cap Long/Flat Index to VanEck for use in an exchange-traded fund ("ETF"). The VanEck Vectors® NDR CMG Long/Flat Allocation ETF (NYSE: LFEQ) seeks to replicate as closely as possible, before fees and expenses, the price and yield performance of the Ned Davis Research CMG US Large Cap Long/Flat Index. Shares of LFEQ are listed on the New York Stock Exchange and may also be bought and sold on the secondary market through a broker. In most cases, investors will incur customary brokerage commissions and charges and may pay some or all of the spread between the bid and the offered price in the secondary market on each leg of a round trip (purchase and sale) transaction. VanEck Vectors ETF shares will trade at prices that may differ to varying degrees from the closing net asset values of the shares.

CMG's Chief Compliance Officer, Todd Silbergeld, remains available to address any questions regarding the above, including the ability to access the Strategy at a lower cost independent of the investor's engagement of CMG.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. Unless otherwise indicated in the Investment Advisory Agreement between the Registrant and the client, the Registrant shall deduct fees and/or bill clients quarterly in arrears, based upon the average daily market value of the assets during the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant generally uses TCA, TD Ameritrade, or Charles Schwab & Co., Inc. ("*Schwab*"), or the specific mutual fund or insurance company that issued the mutual fund or variable life/annuity product, as the broker-dealer/custodian for client assets. Broker-dealers may charge broker-dealer/custodian custody fees, brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain mutual funds, commissions are charged for individual equity transactions, and mark-ups and mark-downs are charged for fixed income transactions). In addition, client accounts may invest in mutual funds (including money market funds) and ETFs that have various internal fees and expenses (i.e., management fees), which are paid by these funds but ultimately borne by clients as a fund shareholder. These internal fees and expenses are in addition to the fees charged by the Registrant.
- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the average daily market value of the assets during the previous quarter for most custodial platforms. The Registrant generally requires a minimum investment of \$25,000 per investment program. Registrant, in its sole discretion, may charge a lower investment management fee and/or reduce or waive its minimum investment requirement based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, Registrant's investment management fee shall be pro-rated through the date of termination, and either debited from the client account or directly billed to the client or pro-rated and credited back to client if the fee was payable in advance. Fee refunds will be determined on a pro-rata basis and refunds calculated to be less than \$15 generally will not be processed or paid due to the administrative costs and operational burdens of processing them. Clients and investors should be guided accordingly and terminate their agreements on a quarter-end to avoid forfeiting any potential refund.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

On occasion, the Registrant charges advisory clients a performance-based management fee, as opposed to an asset-based management fee. The Registrant negotiates the terms of these performance-based arrangements on a case-by-case basis and includes such terms in the investment management agreement it enters into with the applicable advisory clients. The Registrant only charges performance fees to those advisory clients who are "qualified clients," as defined under the Investment Advisers Act of 1940, as amended.

A conflict of interest exists because the Registrant generally charges advisory clients an asset-based fee for the advisory services it provides, but, in some cases, it charges advisory clients performance-based management fees. For those clients to whom the Registrant has agreed to charge performance-based fees, it has an incentive to favor those client accounts so they perform better and, in turn, it receives a greater amount of fees. The Registrant also has an incentive to offer investments that it believes will be more profitable than others to accounts that we charge performance-based fees.

Where we charge performance-based fees on advisory client accounts, those accounts are invested in one or more of our investment strategies and are treated like other advisory client accounts invested in the same strategy. The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions regarding this conflict of interest.

## **Item 7            Types of Clients**

The Registrant's clients shall generally include individuals, pension and profit sharing plans, trusts, estates and charitable organizations. The Registrant generally requires a minimum investment of \$25,000 per investment program. Registrant, in its sole discretion, may charge a lower investment management fee and/or reduce or waive its minimum investment requirement based upon certain criteria (e.g., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

## Item 8            **Methods of Analysis, Investment Strategies and Risk of Loss**

- A. The Registrant may utilize the following methods of security analysis:
- Charting - analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices
  - Fundamental - analysis performed on historical and present data, with the goal of making financial forecasts
  - Technical – analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices
  - Cyclical – analysis performed on historical relationships between price and market trends, to forecast the direction of prices

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long-Term Purchases (securities held at least a year)
- Short-Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)
- Futures (A financial contract obligating the buyer to purchase an asset (or the seller to sell an asset), such as a physical commodity or a financial instrument/index at a predetermined future date and price.)

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis, the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies – Long-Term Purchases, Short-Term Purchases, and Trading -- are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer-term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter-term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher

transaction costs when compared to a short-term investment strategy and substantially higher transaction costs than a longer-term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant may also use the following investments or investment strategies: margin, hedging strategies, futures, options, non-US securities and short and inverse market strategies. Each of these strategies has material risks. Each of these investments and their associated risks is described below. In addition, certain of the Registrant's investment strategies involve idle assets and turnover risk, which are described below.

**Margin.** Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential *conflict of interest* whereby the client's decision to employ margin *may* correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

**Options.** The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting or "hedging" a potential market risk in a client's portfolio. Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e., straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts.

**Futures (Derivatives).** Investments in derivative instruments, such as futures contracts or forward contracts, require a high degree of leverage, meaning the overall contract value (and, accordingly, the potential for profits or losses in that value) is much greater than the modest deposit used to enter into the derivative contract. Derivative securities can also be highly volatile. The prices of derivative instruments and the investment underlying the derivative instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the client or the Registrant. Further, to the extent that transactions in derivative instruments are not undertaken on recognized exchanges, they will expose the client's account to greater risks than regulated exchange transactions that provide greater liquidity and more accurate valuation of securities.

**Hedging.** There can be no assurance that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Registrant may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the underlying investment portfolios than if the Registrant did not engage in any such hedging transactions.

**Non-U.S. Securities.** Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations can involve additional risks relating to political, economic, or regulatory conditions in foreign countries. These risks include fluctuations in foreign currencies, withholding or other taxes; trading, settlement, custodial, and other operational risks; and the less stringent investor protection and disclosure standards of some foreign markets. All of these factors can make foreign investments, especially those in emerging markets, more volatile and potentially less liquid than U.S. investments. In addition, foreign markets can perform differently from the U.S. market.

**Short and Inverse Market Strategies.** Certain of the Registrant's strategies, including its CMG Managed High Yield Bond, CMG Managed High Yield ETF and Annuity High Yield Bond Programs, CMG Total Portfolio, and the CMG Opportunistic All Asset Strategy, use inverse mutual funds and ETFs to effectively "short" the equity, treasury, and high-yield bond markets. Inverse mutual funds and ETFs are securities that attempt to replicate the opposite direction of the performance of an underlying financial index, often at a multiple. These securities often use a combination of futures, swaps, short sales, and other derivatives to achieve these objectives. Most inverse-leveraged securities are designed to achieve these results on a daily basis only. This means that over periods longer than a trading day, the value of these securities can and usually does deviate from the performance of the index they are designed to track. Over longer periods of time or in situations of high volatility, these deviations can be substantial. There can be no assurance that any such security will be profitable or achieve its objective.

**Idle Assets:** At any time and for a substantial length of time we may hold a significant portion of a client's assets in cash or money market mutual funds. Investments in these assets may cause a client to miss out on upswings in the markets. Unless we expressly agree otherwise in writing, account assets consisting of cash and money market mutual funds are included in the value of an account's assets for purposes of calculating our advisory fees.

**Turnover Risk:** Certain of the Registrant's strategies are tactical and can involve substantial shifting of assets among securities and cash. This will result in a taxable event to you unless you are investing through a tax-deferred arrangement.

**The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions regarding this conflict of interest.**

- C. Currently, the Registrant primarily allocates client investment assets among various mutual fund/exchange-traded funds ("ETFs"), equities and Variable Insurance Trusts ("VITs") (including inverse ETFs, mutual funds and/or VITs that are designed to perform in an inverse relationship to certain market indices) allocation strategies, on a discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9           Disciplinary Information**

In 2003, while employed with The (Wilson) Williams Financial Group, John F. Mauldin, wrote newsletters regarding investments in hedge funds that allegedly had inadequate risk disclosures and contained exaggerated and unwarranted statements and claims, according to the National Association of Securities Dealers, Inc. (“NASD”). Without admitting or denying the findings, Mr. Mauldin consented to the sanctions and findings and was fined \$35,000 by the NASD and was required to file with the NASD’s Advertising and Regulations Department all sales literature except for generic newsletters that do not discuss or otherwise reference specific securities and ads, written, distributed or used at least 10 days prior to first use.

## **Item 10          Other Financial Industry Activities and Affiliations**

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. The Registrant does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person or affiliate.
- D. From time to time, the Registrant may refer certain clients to Watkinson Capital Advisors (“WCA”). If a client engages WCA, the Registrant receives a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940. Any referral fee is paid solely from WCA’s investment management fee, and does not result in any additional charge to the client. The client will receive a copy of WCA’s Form ADV Part 2A prior to or at the time of engagement. Additionally, the Registrant leases office space and provides limited information technology access to WCA for compensation. The compensation is not material to the Registrant.

## **Item 11          Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant’s overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant’s Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that

security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons.” The Registrant’s securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects.

- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 B, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant’s Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at TCA. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending TCA (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant’s best execution responsibility is qualified if

securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Soft Dollar Arrangement

In return for effecting securities transactions through a designated broker-dealer/custodian, Registrant may receive certain investment research products or services that may assist the Registrant in its investment decision-making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934 (generally referred to as a “soft-dollar” arrangement). Investment research products or services received by Registrant may include, but are not limited to, analyses pertaining to specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications, portfolio management systems, and statistical and pricing services. Although the commissions paid by Registrant's clients shall comply with the Registrant's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. Although the investment research products or services that may be obtained by Registrant will generally be used to service all of Registrant's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. With respect to investment research products or services obtained by the Registrant that have a mixed use of both a research and non-research (i.e., administrative, etc.) function, Registrant shall make a reasonable allocation of the cost of the product or service according to its use -- the percentage of the product or service that provides assistance to the Registrant's investment decision-making process will be paid for with soft dollars while that portion that provides administrative or other non-research assistance will be paid for by the Registrant with hard dollars. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee.

**The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.**

Non-Soft Dollar Research and Additional Benefits

Registrant receives from broker-dealers, custodians, investment platforms, unaffiliated investment managers, vendors, or fund sponsors free or discounted support services and products. Certain of these products and services assist the Registrant to better monitor and service client accounts maintained at these institutions. The support services that Registrant obtains can include investment-related research; pricing information and market data; compliance or practice management-related publications; discounted or free attendance at conferences, educational or social events; or other products used by Registrant to further its investment management business operations.

Certain of the support services or products received may assist the Registrant in managing and administering client accounts. Others do not directly provide this assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected or assets maintained at the broker-dealers and custodians because of these arrangements. There is no corresponding commitment made by the Registrant to any broker-dealer or custodian or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangements.

**The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. The Registrant does not consider, in selecting or recommending broker-dealers, whether it receives client referrals from a broker-dealer or third party.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client-directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant.

**The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that the Registrant provides investment advisory services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration because of such aggregation.

### **Item 13      Review of Accounts**

- A. Client account reviews are conducted on an ongoing basis by one of the Registrant's investment adviser representatives. All clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on another than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/trust company/mutual fund/custodian for the client accounts. Clients may access account activity reports from the Registrant on a no less than quarterly basis.

### **Item 14      Client Referrals and Other Compensation**

- A. As referenced in Item 12.A.1 above, the Registrant may receive an indirect economic benefit from certain broker-dealer/custodians in the form of support services and/or products.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at these broker-dealers/custodians because of this arrangement. There is no corresponding commitment made by the Registrant to these broker-dealers/custodians or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangement.

The Registrant's Chief Compliance Officer, Todd Silbergeld, is available to address any questions that a client or prospective client may have regarding the above arrangement and the conflict of interests these arrangements create.

- B. **Solicitor Introductions/Referral Fees.** If a client is introduced to the Registrant by either an unaffiliated or an affiliated solicitor, the Registrant will pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any referral fee will be paid solely from the Registrant's investment management fee. If the client is introduced to the Registrant by an unaffiliated solicitor, the solicitor will provide each prospective client with a copy of the current version of this Brochure and a separate written disclosure statement disclosing the terms of the arrangement between the Registrant and the solicitor, including the compensation to be paid by the Registrant to the solicitor.

**Solicitor-Continued Obligations.** When indicated on the solicitor written disclosure statement to be provided by the solicitor to the prospective client, the solicitor shall be exclusively responsible for: (a) assisting the referred client in determining the initial and ongoing suitability for Registrant's investment portfolios and/or strategies; and (1) for receiving/ascertaining the referred client's directions, notices and instructions, and forwarding them to Registrant, in writing. Registrant shall be entitled to rely upon any such direction, notice, or instruction (including any information or documentation regarding the

referred client's investment objectives, risk tolerances and/or investment restrictions) until it has been duly advised in writing of changes thereto; and (2) Registrant shall have no liability or responsibility for solicitor's failure to correctly, accurately and/or timely ascertain/forward/communicate any and all such directions, notices and instructions. The solicitor shall indemnify the Registrant in the event of a claim by a client relating to a solicitor's failure to correctly, accurately and/or timely ascertain/forward/communicate any and all such directions, notices and instructions to the Registrant.

The Registrant's Chief Compliance Officer, Todd Silbergeld, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding conflicts of interest such arrangements may create.

## **Item 15      Custody**

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/trust company/mutual fund/custodian for the client accounts. Clients will also receive a report from the custodian summarizing account activity no less than quarterly.

To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

## **Item 16      Investment Discretion**

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Registrant's discretionary authority (e.g., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

## **Item 17      Voting Client Securities**

- A. Except for assets invested in the Funds and accounts managed by sub-advisors (for which the sub-advisor will generally retain proxy voting responsibility), clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Registrant has adopted proxy voting policies and procedures as required by Rule 206(4)-6 of the Investment Advisers Act of 1940. As a matter of policy and as a fiduciary, Registrant has the responsibility for voting proxies for portfolio securities consistent with the best economic interests of each Fund. Registrant maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Registrant's policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest, as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.

- B. Unless set forth in Item 17.A above to the contrary, clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

## **Item 18      Financial Information**

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Registrant's Chief Compliance Officer, Todd Silbergeld, remains available to address any questions regarding this Part 2A.**

**Item 1 Cover Page**

A.

**Stephen B. Blumenthal**

CMG Capital Management Group, Inc.

Brochure Supplement

Dated 07/15/2018

Contact: Todd Silbergeld, Chief Compliance Officer

1000 Continental Drive, Suite 570

King of Prussia, PA 19406

B.

**This brochure supplement provides information about Stephen B. Blumenthal that supplements the CMG Capital Management Group, Inc. brochure. You should have received a copy of that brochure. Please contact Todd Silbergeld, Chief Compliance Officer, if you did *not* receive CMG Capital Management Group, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Stephen B. Blumenthal is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 Education Background and Business Experience**

Stephen B. Blumenthal was born in 1961. Mr. Blumenthal graduated from Pennsylvania State University in 1983, with a Bachelor of Science degree in Accounting. Mr. Blumenthal has served as Chief Executive Officer and Chief Investment Officer of CMG Capital Management Group, Inc. since 2012.

**Item 3 Disciplinary Information**

None.

**Item 4 Other Business Activities**

A. The supervised person is not actively engaged in any other investment-related businesses or occupations.

- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("*Act*"). The Registrant's Chief Compliance Officer, Todd Silbergeld, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, Mr. Silbergeld can be reached at (610) 989-9090.

## Item 1 Cover Page

A.

**John F. Mauldin**

CMG Capital Management Group, Inc.

Brochure Supplement

Dated 07/15/2018

Contact: Todd Silbergeld, Chief Compliance Officer

1000 Continental Drive, Suite 570

King of Prussia, PA 19406

B.

**This brochure supplement provides information about John F. Mauldin that supplements the CMG Capital Management Group, Inc. brochure. You should have received a copy of that brochure. Please contact Todd Silbergeld, Chief Compliance Officer, if you did *not* receive CMG Capital Management Group, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about John F. Mauldin is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 Education Background and Business Experience

John F. Mauldin, born in 1949, earned a Bachelor of Arts degree from Rice University and a Master of Divinity degree from Southwestern Baptist Theological Seminary. Mr. Mauldin joined Registrant in 2018. In 2012, Mr. Mauldin co-founded Mauldin Economics, LLC, a publisher of economic newsletters and host of industry conferences and events. From 2002-2004, Mr. Mauldin was associated with The (Wilson) Williams Financial Group, a broker-dealer. In 1999, Mr. Mauldin founded Mauldin Securities, LLC, a broker-dealer, and has served as its president and general securities principal since 2004. Also in 1999, Mr. Mauldin founded Mauldin Solutions, LLC (formerly Millennium Wave Investments, LLC), a registered investment adviser.

## Item 3 Disciplinary Information

A. In 2003, while employed with The (Wilson) Williams Financial Group, John F. Mauldin, wrote newsletters regarding investments in hedge funds that allegedly had inadequate risk disclosures and contained exaggerated and unwarranted statements and claims, according to the National Association of Securities Dealers, Inc. ("NASD"). Without admitting or denying the

findings, Mr. Mauldin consented to the sanctions and findings and was fined \$35,000 by the NASD and was required to file with the NASD's Advertising and Regulations Department all sales literature except for generic newsletters that do not discuss or otherwise reference specific securities and ads, written, distributed or used at least 10 days prior to first use.

#### **Item 4 Other Business Activities**

A. (1) Mr. Mauldin is the president and general securities principal of Mauldin Securities, LLC, a broker-dealer. Mauldin Securities receives compensation for referrals from other investment-related businesses. The Registrant has no business relationship or any business dealings with Mauldin Securities. (2) Mr. Mauldin is a registered financial advisor for Absolute Return Partners LLP ("ARP"), an investment advisory business based in London, England. Mr. Mauldin receives compensation from ARP for client referrals. The Registrant has no business relationship or any business dealings with ARP. (3) Mr. Mauldin is the non-executive chairman of Mauldin Economics, LLC. Mauldin Economics is a publisher of financial newsletters and economic/investment analysis. Mr. Mauldin writes articles that are published by Mauldin Economics and speaks at events organized by the company. The Registrant is a subscriber to the company's newsletters and publications. Notwithstanding the foregoing, the Registrant has no business relationship or any business dealings with Mauldin Economics.

B. Mr. Mauldin is the managing member of Mauldin Management Company, LLC ("MMC"). MMC is a privately held company that provides administrative services to Mauldin Securities and John F. Mauldin. The Registrant has no business relationship or any business dealings with MMC.

#### **Item 5 Additional Compensation**

None.

#### **Item 6 Supervision**

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("*Act*"). The Registrant's Chief Compliance Officer, Todd Silbergeld, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, Mr. Silbergeld can be reached at (610) 989-9090.

**Item 1 Cover Page**

A.

**Avi J. Rutstein**

CMG Capital Management Group, Inc.

Brochure Supplement

Dated 07/15/2018

Contact: Todd Silbergeld, Chief Compliance Officer  
1000 Continental Drive, Suite 570  
King of Prussia, PA 19406

B.

**This brochure supplement provides information about Avi J. Rutstein that supplements the CMG Capital Management Group, Inc. brochure. You should have received a copy of that brochure. Please contact Todd Silbergeld, Chief Compliance Officer, if you did *not* receive CMG Capital Management Group, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Avi J. Rutstein is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 Education Background and Business Experience**

Avi J. Rutstein was born in 1975. Mr. Rutstein graduated from Pennsylvania State University in 1997, with a Bachelor of Science degree in Management. Mr. Rutstein served as Vice President of Business Development of CMG Capital Management Group, Inc. from 2006 to 2015. Mr. Rutstein has served as Managing Director, Sales since July 2015.

**Item 3 Disciplinary Information**

None.

**Item 4 Other Business Activities**

A. The supervised person is not actively engaged in any other investment-related businesses or occupations.

- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

**Item 5 Additional Compensation**

None.

**Item 6 Supervision**

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("*Act*"). The Registrant's Chief Compliance Officer, Todd Silbergeld, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, Mr. Silbergeld can be reached at (610) 989-9090.

## Item 1 Cover Page

A.

### **Brian Schreiner**

CMG Capital Management Group, Inc.

Brochure Supplement

Dated 07/15/2018

Contact: Todd Silbergeld, Chief Compliance Officer  
1000 Continental Drive, Suite 570  
King of Prussia, PA 19406

B.

**This brochure supplement provides information about Brian Schreiner that supplements the CMG Capital Management Group, Inc. brochure. You should have received a copy of that brochure. Please contact Todd Silbergeld, Chief Compliance Officer, if you did *not* receive CMG Capital Management Group, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Brian Schreiner is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 Education Background and Business Experience

Brian Schreiner was born in 1975. Mr. Schreiner has a Bachelor of Science degree in Business Administration from Widener University. He joined CMG Capital Management Group, Inc. in July 2015 as Senior Vice President of the Private Wealth Group. From August 1999 to June 2015, Mr. Schreiner was President and Chief Operations Officer of Schreiner Capital Management, Inc., a Registered Investment Adviser that specialized in managing tactical investments.

## Item 3 Disciplinary Information

None.

## Item 4 Other Business Activities

A. The supervised person is not actively engaged in any other investment-related businesses or occupations.

- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act ("Act"). The Registrant's Chief Compliance Officer, Todd Silbergeld, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee or investment adviser representative of the Registrant have any questions regarding the applicability/relevance of the Act, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, Mr. Silbergeld can be reached at (610) 989-9090.